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**FISCAL IMPACT STATEMENT**

**LS 7120**

**BILL NUMBER:** HB 1681

**NOTE PREPARED:** Apr 9, 2009

**BILL AMENDED:** Apr 9, 2009

**SUBJECT:** Foster Care.

**FIRST AUTHOR:** Rep. Summers

**FIRST SPONSOR:** Sen. Dillon

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill requires the State Student Assistance Commission of Indiana (SSACI) to annually report to the Legislative Council concerning data on the individuals who received certain assistance. It establishes eligibility requirements for the Twenty-First Century Scholars Program for foster care youth.

The bill requires a caseworker of a foster child to provide certain information to the child concerning specified scholarship programs.

This bill also requires the Department of Education (DOE), the Department of Child Services (DCS), SSACI, and the Commission for Higher Education (CHE) to: (1) jointly study whether there is a need for a foster care educational assistance program; and (2) submit a report containing recommendations to the Legislative Council by October 1, 2009, concerning whether legislation is needed to establish a program and the best agency to administer the program.

**Effective Date:** Upon passage; July 1, 2009.

**Explanation of State Expenditures:** (Revised) This bill has the following impacts:

- (1) Increases the workload of SSACI to provide a report that provides information on Twenty-First Century Scholars Program recipients,
- (2) Increases the workload of DCS to provide a report that provides information on Twenty-First Century Scholars Program recipients and the manner in which DCS notifies foster youth of the program ,

- (3) Increases the workload of DCS caseworkers to inform foster youth of educational assistance programs available to them, and
- (4) Increases the workload of DOE, DCS, SSACI, and CHE to study and report the need for an educational assistance program.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

[Note: For FY 2008, the General Fund received the following reversion amounts from each state agency or commission: (1) DOE, \$25.8 M, (2) SSACI, \$519,000 (for operations of the commission only), (3) DCS, \$7.1 M, (4) Commission on Higher Education, \$641,000.]

*21<sup>st</sup> Century Scholar Program for Former Foster Youth:* The bill allows a former foster youth to enroll in the Twenty-First Century Scholar Program and requires SSACI to make initial eligibility determinations. In determining the amount of an eligible individual's benefits, SSACI is required to consider other financial assistance for higher education first. State expenses may increase to the extent SSACI makes awards to eligible students who do not receive other forms of higher education financial assistance. Actual increases are indeterminable.

*Indiana Check-Up Plan Eligibility:* OMPP is required to submit to DHHS a request to amend the eligibility requirements of the Indiana Check-Up Plan to include individuals that received foster care before their 21<sup>st</sup> birthday and before they reach 24 years of age. This will increase the workload of OMPP staff.

Currently, individuals that receive foster care are eligible for Medicaid benefits until the age of 21. Medicaid benefits are not considered health insurance under the Indiana Check-Up Plan eligibility requirements. Currently, individuals are considered eligible for the Indiana Check-Up Plan if they (1) are between the ages of 18 and 65, (2) are United States citizens and a state resident for 12 months, (3) have an annual household income of no more than 200% of the federal poverty level, (4) are not eligible for health insurance through their employer, and (5) have not had health insurance for at least six months. The legislation expands these requirements by allowing individuals that received foster care before the age of 18 and are between the ages of 18 and 23 to participate in the program provided they also meet provisions 1 through 4 listed above. Since these individuals are eligible to receive Medicaid until the age of 21 and Medicaid is not considered to be health insurance in the Indiana Check-Up Plan, these individuals would already qualify to participate in the Indiana Check-Up Plan. This provision is not expected to have a fiscal impact.

*Background Information:* SSACI reports that currently former foster youth are eligible to apply for the Twenty-First Century Scholarship program until the age of 18. Additionally, it was reported that former foster youth are eligible for grants from the Frank O'Bannon Grant Program to pay for education costs. The Twenty-First Century Scholarship Program provides scholarships to low- and moderate-income families while the Frank O'Bannon Grant Program provides tuition and fee support for need-based students.

The federal Chafee Educational Training Voucher Program provides funds to foster youth and former foster youth to enable them to attend colleges, universities, or vocational training institutions. Applicants must be

between the ages of 18 and 20 at the time of application to the program and be accepted in a degree, certificate, or other accredited program at a college, university, technical, or vocational school.

DCS reports that the Chafee Educational Training Voucher program is available to individuals who received foster care before the age of 18 and provides benefits to the age of 23 for individuals in college, vocational school, or trade school. The total amount of federal revenue received from the federal Chafee Education Training Voucher Program during academic year 2006-2007 was approximately \$698,000, or \$3,800 per student.

**Explanation of State Revenues:** *Penalty Provision:* Under the bill, someone that knowingly or intentionally submits false or misleading information to receive a tuition exemption for foster youth commits a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** OMPP; DCS; State Educational Institutions.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Ann Houseworth, DCS; Commission on Higher Education; Ellen Holland, DCS.

**Fiscal Analyst:** Bill Brumbach, 232-9559.